

**Presentment Date:** May 22, 2019 at 9:30 a.m. (Atlantic Standard Time)

**Objection Deadline:** May 21 2019 at 4:00 p.m. (Atlantic Standard Time)

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

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In re:

PROMESA  
Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>1</sup>

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**NOTICE OF PRESENTMENT OF APPLICATION OF  
OVERSIGHT BOARD FOR ENTRY OF ORDER AUTHORIZING  
EMPLOYMENT AND PAYMENT OF EXPENSES OF GORDON BROTHERS GROUP,  
LLC, AS CO-FINANCIAL ADVISOR FOR MEDIATION TEAM**

**PLEASE TAKE NOTICE** that the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of the Debtors, pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> is filing the annexed *Application of Oversight Board for Entry of Order Authorizing Employment and Payment of Expenses of Gordon Brothers Group, LLC as Co-Financial Advisor for Mediation Team* (the “Application”).

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (the “Commonwealth”) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of PREPA’s Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations). The Debtors’ cases under Title III of PROMESA are referred to herein as the “Title III Cases.”

<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

**PLEASE TAKE FURTHER NOTICE** that the Oversight Board will present the Application to the Honorable Laura Taylor Swain, United States District Judge, for approval and signature on **May 22, 2019 at 9:30 a.m. (Atlantic Standard Time)**.

**PLEASE TAKE FURTHER NOTICE** that, unless a written objection to the Application is filed with the Court in accordance with the *Eighth Amended Notice, Case Management and Administrative Procedures* [ECF No. 4866-1] by 4:00 p.m. (AST) on May 21, 2019, no hearing will be held and the Proposed Order, attached hereto as **Exhibit A**, may be approved by this Court.

**PLEASE TAKE FURTHER NOTICE** that copies of the Application and all documents filed in these Title III cases are available (a) free of charge by visiting <https://cases.primeclerk.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court's website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

Dated: May 16, 2019  
San Juan, Puerto Rico

Respectfully submitted,  
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No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>3</sup>

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**APPLICATION OF OVERSIGHT BOARD FOR ENTRY OF ORDER AUTHORIZING  
EMPLOYMENT AND PAYMENT OF EXPENSES OF GORDON BROTHERS  
GROUP, LLC AS CO-FINANCIAL ADVISOR FOR MEDIATION TEAM**

To the Honorable United States District Court Judge:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of the Debtors pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>4</sup> respectfully submits this application (the “Application”), pursuant to section 105(a) of title 11 of the United States Code (the “Bankruptcy Code”), made applicable in these cases pursuant to PROMESA section 301(a), for

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<sup>3</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (the “Commonwealth”) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”, and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of PREPA’s Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations). The Debtors’ cases under Title III of PROMESA are referred to herein as the “Title III Cases.”

<sup>4</sup> PROMESA is codified at 48 U.S.C. §§ 2101-2241.

entry of an order (the “Proposed Order”),<sup>5</sup> substantially in the form attached hereto as **Exhibit A**: (a) authorizing the *pro bono* employment and payment of the actual and necessary expenses of Gordon Brothers Group, LLC (“Gordon Brothers”), as co-financial advisor for the mediation team appointed in the Title III cases and related proceedings (the “Mediation Team”) to help resolve issues pertaining to the Commonwealth and its instrumentalities, and (b) providing any additional relief required to effectuate the foregoing. In support of this Application, the Oversight Board, as the Debtors’ representative, submits the Declaration of Martha E. M. Kopacz (the “Kopacz Declaration”), attached hereto as **Exhibit B**, and respectfully states as follows:

**Preliminary Statement**

1. In August 2017, the Mediation Team retained Phoenix Management Services, LLC (“Phoenix”) as its financial advisor, with Martha E.M. Kopacz responsible for the overall delivery of Phoenix’s services and direction of the Phoenix team. Since then, Phoenix has served as the Mediation Team’s sole financial advisor, and Ms. Kopacz has acted as the lead professional with day-to-day involvement on the engagement. Ms. Kopacz, however, recently concluded her employment at Phoenix and became employed by Gordon Brothers as its Chief Development Officer. In light of this transition, Ms. Kopacz and Gordon Brothers have proposed—and Phoenix, the Mediation Team, and the Oversight Board have agreed, subject to Court approval—that Ms. Kopacz, through the proposed retention of Gordon Brothers, will continue to serve as a co-financial advisor to the Mediation Team on an “as-needed” and *pro bono* basis, seeking reimbursement of only her actual and necessary expenses.

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<sup>5</sup> In the event of any inconsistency between this Application and the Proposed Order, the Oversight Board, as the Debtors’ representative, respectfully requests that the Proposed Order govern.

2. Pursuant to this structure, Ms. Kopacz's near-term role will be to transition leadership of the engagement and relevant institutional knowledge to Phoenix Senior Managing Director Brian Gleason. Mr. Gleason has been a key member of the Phoenix team advising the Mediation Team on the Title III Cases, and the Mediation Team is familiar with, and has been impressed by, his work to date. Ms. Kopacz has agreed to assist him and the Mediation Team as he assumes leadership of the engagement. After this transition is completed, Ms. Kopacz has agreed that she will remain available to the Mediation Team on an "as-needed" basis. During this time, she will act as a resource to the Mediation Team, drawing on knowledge and relationships developed during her twenty (20) months working on the Title III Cases, as well as the extensive prior knowledge that she brought to the process. No other professionals at Gordon Brothers will work on the engagement.

3. The Oversight Board and the Mediation Team believe that the structure outlined above will benefit the Mediation Team and, in turn, the Title III Cases. Without such an arrangement, the Mediation Team would lose the value of Ms. Kopacz's skill, institutional knowledge, and relationships. Instead, Ms. Kopacz will be available to serve the Mediation Team—first, during the transition phase and, later, as a valuable resource—for the benefit of the Title III Cases, at no cost other than the reimbursement of her actual and necessary expenses. This structure serves the interests of all parties and avoids any risk that duplication of efforts will burden the Debtors with additional costs.

4. For the foregoing reasons, the Oversight Board requests that the Court approve the engagement of Gordon Brothers as financial advisor for the Mediation Team and the reimbursement of its actual and necessary expenses.

### **Jurisdiction and Venue**

5. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this Application pursuant to PROMESA section 306(a).

6. Venue is proper in this district pursuant to PROMESA section 307(a).

7. The statutory predicate for the relief sought herein is Bankruptcy Code section 105(a), made applicable to these cases by PROMESA section 301(a).

### **Background**

8. On June 23, 2017, the Court entered an order appointing the Mediation Team to facilitate confidential settlement negotiations of any and all issues and proceedings arising in the Title III Cases and related proceedings [ECF No. 430]. The Mediation Team continues to be led by the Honorable Barbara J. Houser, Chief Judge of the United States Bankruptcy Court for the Northern District of Texas.

9. On August 4, 2017, after receiving various proposals and interviewing various firms, the Mediation Team selected Phoenix as its financial advisor. Pursuant to that certain Application of Oversight Board for Entry of Order Authorizing Employment and Payment of Phoenix Management Services, LLC as Financial Advisor for Mediation Team, dated August 13, 2017 [ECF No. 1018] (the “Phoenix Retention Application”), the Oversight Board sought approval of the Mediation Team’s retention of Phoenix. On August 21, 2017, the Court an Order granting the Phoenix Retention Application [ECF No. 1100]. Since, Phoenix has served as the financial advisor to the Mediation Team, with Martha E.M. Kopacz leading the engagement and Brian Gleason and Michael Jacoby acting as senior advisors to the Mediation Team.

10. On April 30, 2019, Ms. Kopacz concluded her employment at Phoenix and, on May 1, 2019, she became employed by Gordon Brothers as its Chief Development Officer. In

connection with her change of employer, Ms. Kopacz agreed to assist in the transition of leadership of the Phoenix team advising the Mediation Team to Brian Gleason, and, thereafter, to act as a resource to the Mediation Team, all on a *pro bono* basis (other than the reimbursement of actual and necessary expenses).

11. The Mediation Team is familiar with the work of Ms. Kopacz based upon her service to the Mediation Team to date. It also recognizes the wealth of experience she possesses in providing advisory services in restructurings and reorganizations across the United States. For these reasons, the Mediation Team seeks to retain the services of Ms. Kopacz, notwithstanding her change of employer, on the terms described in greater detail below.

#### **Relief Requested**

12. By this Application, the Oversight Board, as the Debtors' representative, seeks entry of an order authorizing the employment and reimbursement of actual and necessary expenses (subject to review and allowance by the Court) of Gordon Brothers as financial advisor to the Mediation Team, effective as of May 1, 2019.

13. The Mediation Team is comprised of sitting federal judges who have agreed to serve as Mediators in the Title III Cases at no cost to the Debtors or the Oversight Board and, in that capacity, will continue to use their law clerks to assist them, also at no cost to the Debtors or the Oversight Board. Thus, the actual and necessary expenses associated with the retention of Gordon Brothers, along with the reasonable fees and expenses of Phoenix, are the only costs currently expected to be borne by the Debtors in connection with the Mediation Team's services in the Title III Cases.

#### **Gordon Brothers' Qualifications**

14. As indicated above, Martha E. M. Kopacz, who is now employed by Gordon



Brothers, has agreed to provide continuing financial advisory services to the Mediation Team on an “as-needed” basis. Ms. Kopacz has over 30 years of experience in restructuring, having advised debtors, creditors, and equity holders engaged in restructurings, served as a Court-appointed expert, examiner, and chapter 11 trustee, and has been retained as an Interim President and Chief Restructuring Officer at various times in her career. She was appointed by Judge Steven Rhodes to serve as his Independent Expert on the feasibility of the Plan of Adjustment for the City of Detroit (the “City”). Supported by a team of professionals, she issued three expert reports and testified during the confirmation hearing about the City’s 40-year financial projections, the risks associated with the projections and the \$1.7 billion of restructuring and reinvestment initiatives that formed the cornerstone of the City’s revitalization.

**Gordon Brothers’ Disinterestedness**

15. Notwithstanding the inapplicability of Bankruptcy Code section 327 to the Title III Cases, Gordon Brothers believes it is a “disinterested person,” as that term is defined in Bankruptcy Code section 101(14), made applicable to the Title III Cases by PROMESA section 301. Bankruptcy Code section 101(14) defines “disinterested person” as a person that:

- (A) is not a creditor, an equity security holder, or an insider;
- (B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the Debtors; and
- (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

16. Gordon Brothers, and its professionals, represent that they (a) are not creditors, equity security holders, or insiders of the Debtors; (b) are not and were not, within two (2) years before the date of the filing of the Title III Cases, a director, officer, or employee of the Debtors; and (c) do not represent or hold an interest adverse to the interests of the Debtors with respect to

the matters in which Gordon Brothers is proposed to be employed.

17. Gordon Brothers represents it is not related to or connected with, and neither holds nor represents any interest adverse to, the Debtors, their creditors, or any other party in interest herein or their respective attorneys or the U.S. Trustee or anyone employed in the Office of the U.S. Trustee in the matters for which Gordon Brothers is proposed to be employed, except that Gordon Brothers is connected with the Mediation Team by virtue of this engagement. Certain of the Debtors' creditors or other parties in interest may be or have been clients of Gordon Brothers in matters unrelated to the Title III Cases. Gordon Brothers may also have been engaged with or had mutual clients with certain law firms, financial advisors, accounting firms and other professionals that are potential parties-in-interest or may become parties-in-interest, in matters unrelated to the Title III Cases but no such matters relate to any of the Title III Cases or to matters related to the Commonwealth of Puerto Rico generally.

18. Gordon Brothers represents it has undertaken a detailed search of available information and records to determine and to disclose whether it is performing or has performed services for any of the Debtors, their affiliates, and other interested parties identified in pleadings filed on the docket in the Title III Cases. These parties are listed on Schedule 1 to the Kopacz Declaration (the "Interested Party List"). Gordon Brothers reviewed the Interested Party List and compared it to Gordon Brothers' list of current and former clients for the past 3 years.

19. Gordon Brothers represents, based upon the information presently available, it is aware of no clients or client connections that would (i) be in conflict with Gordon Brothers' proposed engagement by the Mediation Team, (ii) impact or conflict with or be adverse to the Debtors or the Mediation Team in the Title III Cases; or (iii) compromise Gordon Brothers' ability to provide services to the Mediation Team in the Title III Cases.

20. The foregoing notwithstanding, Gordon Brothers and Ms. Kopacz have represented that they wish to disclose a connection between Gordon Brothers and an entity related to a Commonwealth bondholder. They do not believe this connection creates a conflict but have opted to disclose it, as well as the screening mechanism being adopted to address it, out of an abundance of caution. Gordon Brothers, Ms. Kopacz's current employer, is the 19.9% shareholder of Gordon Brothers Finance Company. BlackRock Capital Investment Corporation ("Blackrock Capital"), a publicly traded entity and subsidiary of privately held BlackRock Advisors LLC, is the 80.1% shareholder of Gordon Brothers Finance Company. Based upon the *Third Supplemental Verified Statement of the Ad Hoc Group of Constitutional Debtholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [ECF No. 6067], it appears that BlackRock Financial Management Inc. ("Blackrock Financial"), a privately held entity that is separate from BlackRock Capital, owns bonds issued or guaranteed by the Commonwealth of Puerto Rico. BlackRock Advisors LLC—the parent company of BlackRock Capital, which is the shareholder of Gordon Brothers Finance Company—advises BlackRock funds, including BlackRock Financial, in addition to unrelated third parties. While Gordon Brothers and Ms. Kopacz do not believe that BlackRock Capital's ownership of Gordon Brothers Finance Company stock creates a conflict or a prohibited connection between Gordon Brothers and the Debtors, out of an abundance of caution, Gordon Brothers will impose a screening restriction so that neither Gordon Brothers Finance Company nor any BlackRock entity will receive or have access to any information obtained or generated by Gordon Brothers concerning the Debtors.

21. Gordon Brothers represents it will promptly supplement the Kopacz Declaration, disclosing any material developments regarding the Debtors or any other pertinent relationships that require disclosure in the Title III Cases, if and when any such developments or relationships

come to Gordon Brothers' attention.

### **Scope of Services**

22. Gordon Brothers (specifically, Ms. Kopacz) will provide assistance to the Mediation Team and Phoenix on an as-needed basis. It is presently anticipated that Gordon Brothers may be asked to provide the following services (collectively, the "Services"):

(A) Assist the Mediation Team with:

- Understanding the fiscal plan(s) based on all data made available;
- Understanding the types of consideration that may be offered under plans of adjustment; and
- Identifying capital structures and debt restructuring techniques that may be useful in mediating plans of adjustment;

(B) Provide other services to the Mediation Team that may be requested to support facilitative and directive mediation sessions, including, but not limited to:

- Identifying financial and information-related observations made by the parties to identify common ground on assumptions and methodologies, factual consistencies and inconsistencies, disjointed perceptions and incomplete information;
- Sharing insights with the Mediators and participants, as appropriate, including reflecting and reframing parties' comments;
- Helping the Mediators work through overlapping financial issues and impacts across the different mediations; and
- Helping the Mediators identify underlying priorities and options for negotiated resolutions related to ongoing financial issues on-island; and

(C) Provide other services as requested by the Mediation Team.

### **Terms of Retention and Compensation**

23. As indicated above, the reasonable fees and expenses of Phoenix and the actual and necessary expenses of Gordon Brothers are the only costs that the Mediation Team currently contemplates will be borne by the Debtors in connection with the Mediation Team's service.

24. Gordon Brothers has agreed to provide Ms. Kopacz's services to the Mediation

Team on an entirely *pro bono* basis. Thus, the only potential charges associated with the retention of Gordon Brothers as a co-financial advisor to the Mediation Team are those for Ms. Kopacz's actual, necessary expenses.

25. Gordon Brothers has represented it charges for reasonably incurred, out-of-pocket expenses associated with an assignment including, but not limited to, costs of travel and any applicable sales or excise taxes and other direct expenses. Gordon Brothers has represented all expenses will be billed at actual cost.

26. Gordon Brothers' expenses shall be subject to review and allowance by the Court under the procedures and standards applicable to expenses of professional persons under PROMESA section 316. Gordon Brothers shall be entitled to seek interim repayment of its expenses under the procedures set forth in PROMESA section 317 and shall be subject to any interim compensation orders entered by the Court, except that any objection to the allocation of Gordon Brothers' expenses or the award of those expenses shall be raised in the first instance with the Mediation Team Leader.<sup>6</sup>

27. Gordon Brothers will maintain records of Ms. Kopacz's expenses on a Debtor-specific basis. Gordon Brothers' allowed expenses shall be paid by, and allocated among, the Commonwealth and its instrumentalities that are, at the time the expenses are incurred, debtors under title III of PROMESA. Under no circumstances shall the Mediation Team or any Mediator be responsible for payment of Gordon Brothers' expenses or any fees or costs associated with its retention.

28. The Oversight Board, as the Debtors' representative, and the Mediation Team

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<sup>6</sup> In the event no agreement is reached regarding the allocation of Gordon Brothers' expenses or the award of those expenses, those objections may be filed with the Court in accordance with any interim compensation order entered by the Court.

submit that, in light of the nature and complexity of the Title III Cases, the skill, institutional knowledge, and relationships that Ms. Kopacz brings to the engagement, Ms. Kopacz's general qualifications, and the *pro bono* nature of the engagement, the terms and conditions of Gordon Brothers' employment, are reasonable.

### **Indemnification**

29. Gordon Brothers has represented it negotiated the terms and conditions of its employment at arm's length and in good faith. Gordon Brothers has represented it believes that it is appropriate to include Gordon Brothers in the existing indemnification provisions and the exclusions to subpoena and legal proceedings in the same manner and to the same extent as the Mediators. Gordon Brothers has agreed to these provisions, if approved by the Court, in lieu of its standard indemnification and limitations on liability provisions.

### **Basis for Relief**

#### **A. Employment of Gordon Brothers as Financial Advisor to the Mediation Team Is Permitted**

30. Bankruptcy Code section 363, governing the use of a debtor's property, does not apply to title III cases. Pursuant to Bankruptcy Code section 105(a), made applicable to the Title III Cases by PROMESA section 301(a), the Oversight Board is permitted to employ Gordon Brothers as financial advisor for the Mediation Team in the Title III Cases and related proceedings. Additionally, Bankruptcy Code section 105(a) provides, in relevant part that: "[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a).

31. Prior to the selection of Gordon Brothers as co-financial advisor to the Mediation Team, the Mediation Team worked with Ms. Kopacz for over 20 months. During this time, the Mediation Team developed an appreciation for the knowledge and skill Ms. Kopacz brought to

bear. Thus, despite Ms. Kopacz's change of employer, the Mediation Team resolved to seek Court approval of the employment of Gordon Brothers, Ms. Kopacz's new employer, as a co-financial advisor to the Mediation Team, to provide services on an as-needed basis.

32. The Oversight Board, as the Debtors' representative, and the Mediation Team submit, based on the *pro bono* nature of the proposed engagement, that the structure of Gordon Brothers' retention is reasonable. The Oversight Board, as the Debtors' representative, is requesting authority for the Debtors to pay all actual, necessary expenses arising under Gordon Brothers' engagement, subject to Court approval.

**B. *Nunc Pro Tunc* Relief Is Warranted**

33. In accordance with the Oversight Board's and the Mediation Team's request, Gordon Brothers has agreed to serve as a co-financial advisor for the Mediation Team as of May 1, 2019 with the understanding that the Oversight Board would seek approval of its employment, effective *nunc pro tunc* to such date, so that Gordon Brothers may be reimbursed for any actual and necessary expenses incurred prior to approval of this Application.

34. The Oversight Board believes that no party in interest will be prejudiced by the granting of the *nunc pro tunc* employment, as proposed in this Application, because Ms. Kopacz has provided and continues to provide valuable Services to the Mediation Team in the interim period and has agreed to seek reimbursement only of actual and necessary expenses.

35. This Court has approved similar relief in the Title III Cases. *See, e.g., In re Commonwealth of Puerto Rico, et al.*, 17 BK 3283 (D.P.R. June 1, 2017) [ECF No. 245]. Additionally, bankruptcy courts routinely approve *nunc pro tunc* employment similar to that requested herein in large, complex bankruptcy cases. *See, e.g., In re La Paloma Generating Co., LLC*, Ch. 11 Case No. 16-12700 (CSS) (Bankr. D. Del. Jan. 13, 2017) (approving *nunc pro tunc*

employment of the claims and noticing agent to perform claims and noticing services); *In re Magnum Hunter Resources Corp.*, No. 15-12533 (Bankr. D. Del. Dec. 16, 2015) (same).

36. Accordingly, the Oversight Board, as the Debtors' representative, respectfully requests entry of the Proposed Order authorizing and requiring the Debtors to pay Gordon Brothers as financial advisor for the Mediation Team, effective *nunc pro tunc* to May 1, 2019, any actual, necessary expenses arising under Gordon Brothers' engagement, subject to Court approval.

### **Notice**

37. The Oversight Board has provided notice of this Motion to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors' bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against each Debtor; (d) counsel to the statutory committees appointed in the Title III Cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to AAFAF; (g) the Puerto Rico Department of Justice; (h) the Other Interested Parties;<sup>7</sup> and (i) all parties filing a notice of appearance in the Title III Cases. The Oversight Board submits that, in light of the nature of the relief requested, no other or further notice need be given.

### **Reservation of Rights**

38. The Oversight Board files this Application without prejudice to or waiver of any rights pursuant to PROMESA section 305,<sup>8</sup> and does not by this Application provide any consent otherwise required by section 305.

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<sup>7</sup> The "Other Interested Parties" include the following: (i) counsel to certain of the insurers and trustees of the bonds issued or guaranteed by the Debtors; and (ii) counsel to certain ad hoc groups of holders of bonds issued or guaranteed by the Debtors.

<sup>8</sup> PROMESA section 305 provides:



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LIMITATIONS ON JURISDICTION AND POWER OF COURT.

Subject to the limitations set forth in titles I and II of this Act, notwithstanding any power of the court, unless the Oversight Board consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with—

- (1) any of the political or governmental powers of the debtor;
- (2) any of the property or revenues of the debtor; or
- (3) the use or enjoyment by the debtor of any income-producing property.

PROMESA § 305.

WHEREFORE the Oversight Board, as the Debtors' representative, respectfully requests the Court enter the Proposed Order (a) granting the Application, and (b) granting the Oversight Board such other and further relief as is just.

Dated: May 16, 2019  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Martin J. Bienenstock

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Debtors*

**Exhibit A**

**Proposed Order**

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>1</sup>

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**ORDER AUTHORIZING EMPLOYMENT AND PAYMENT OF EXPENSES OF  
GORDON BROTHERS GROUP, LLC,  
AS CO-FINANCIAL ADVISOR FOR MEDIATION TEAM**

Upon the *Application of Oversight Board for Entry of Order Authorizing Employment and Payment of Expenses of Gordon Brothers Group, LLC, as Co-Financial Advisor for Mediation Team* (the “Application”);<sup>2</sup> and the Court having found it has subject matter jurisdiction over this matter pursuant to PROMESA section 306(a); and it appearing that venue in this district is proper pursuant to PROMESA section 307(a); and the Court having found that the relief requested in the Application is in the best interests of the Debtors, their creditors, and other parties in interest; and the Court having found that the Oversight Board provided adequate and appropriate notice of the Application under the circumstances and that no other or further notice is required; and the Court

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of PREPA’s Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

having reviewed the Application and the Kopacz Declaration and having heard the statements of counsel in support of the Application at a hearing, if any; and the Court having determined that the legal and factual bases set forth in the Application and at any hearing thereon establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and upon the record herein, after due deliberation thereon, the Court having found that good and sufficient cause exists for the granting of the relief as set forth herein,

**THEREFORE, IT IS HEREBY ORDERED THAT:**

1. The Application is **GRANTED** as set forth herein.
2. The Debtors are authorized and, upon approval of the Court, shall reimburse Gordon Brothers as co-financial advisor for the Mediation Team effective *nunc pro tunc* to May 1, 2019, for all actual and necessary expenses arising under Gordon Brothers' engagement, and Gordon Brothers is authorized and directed to perform the Services.
3. In connection with performing the Services, Gordon Brothers is authorized to take direction from the Mediation Team.
4. Gordon Brothers shall be entitled to reimbursement of expenses incurred pursuant to the terms of the Application and its engagement as an administrative expense pursuant to Bankruptcy Code section 503(b)(1), made applicable by PROMESA section 301(a).
5. Gordon Brothers' expenses shall be subject to review and allowance by the Court under the procedures and standards applicable to expenses of professional persons under PROMESA section 316. Gordon Brothers shall be entitled to seek interim reimbursement of expenses under the procedures set forth in PROMESA section 317, and shall be subject to any interim compensation orders entered by the Court, except that any objection to the allocation of

Gordon Brothers' expenses or the award of those expenses shall be raised in the first instance with the Mediation Team Leader.<sup>3</sup>

6. Gordon Brothers will maintain records of expenses on a Debtor-specific basis. Gordon Brothers' allowed expenses shall be paid by, and allocated among, the Commonwealth and its instrumentalities that are, at the time the expenses are incurred, debtors under title III of PROMESA. Under no circumstances shall the Mediation Team or any Mediator be responsible for payment of Gordon Brothers' expenses or any fees or other costs associated with its retention.

7. Gordon Brothers shall be entitled to indemnification and exclusion from subpoena and legal proceedings in same manner and to the same extent as are the Mediators.

8. In the event of any inconsistency between this Order and the Application, this Order shall govern.

9. Nothing herein is intended to, shall constitute, or shall be deemed to constitute the Debtors' or the Oversight Board's consent, pursuant to PROMESA section 305, to this Court's interference with (a) any of the political or governmental powers of the Debtors, (b) any of the property or revenues of the Debtors, or (c) the use or enjoyment of the Debtors of any income-producing property.

10. Notwithstanding any applicability of any Federal Rule of Bankruptcy Procedure, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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<sup>3</sup> In the event no agreement is reached regarding the allocation of Gordon Brothers' expenses or the award of those expenses, those objections may be filed with the Court in accordance with any interim compensation order entered by the Court.

11. Gordon Brothers, the Mediation Team, and the Oversight Board, as the Debtors' representative, are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this order in accordance with the Application.

12. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: \_\_\_\_\_, 2019

\_\_\_\_\_  
Honorable Laura Taylor Swain  
United States District Judge

**Exhibit B**

**Kopacz Declaration**



**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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In re:

PROMESA

Title III

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, *et al.* (Jointly Administered)

Debtors.<sup>1</sup>

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of PREPA's Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

**DECLARATION OF MARTHA E. M. KOPACZ IN SUPPORT OF APPLICATION OF  
OVERSIGHT BOARD FOR ENTRY OF AN ORDER AUTHORIZING  
EMPLOYMENT AND PAYMENT OF EXPENSES OF GORDON BROTHERS GROUP,  
LLC, AS CO-FINANCIAL ADVISOR FOR MEDIATION TEAM**

I, Martha E. M. Kopacz, under penalty of perjury, declare as follows:

1. This Declaration is made in support of the *Application of Oversight Board for Entry of Order Authorizing Employment and Payment of Expenses of Gordon Brothers Group, LLC, as Co-Financial Advisor for Mediation Team* (the “Application”) filed in connection with the proposed retention of Gordon Brothers as a co-financial advisor for the Mediation Team.<sup>2</sup>

2. The information included in this declaration (the “Declaration”) concerning Gordon Brothers (defined below) is based upon my personal knowledge.

3. I am the Chief Development Officer of Gordon Brothers Group, LLC (“Gordon Brothers”), a role I assumed on May 1, 2019. I previously worked as a Senior Managing Director of Phoenix Management Services, LLC (“Phoenix”). My employment with Phoenix concluded on April 30, 2019.

4. On August 4, 2017, the Mediation Team selected Phoenix to serve as its financial advisor. On August 21, 2017, the Court entered an order approving the retention of Phoenix, *nunc pro tunc* to August 4, 2017 [ECF No. 1100]. I served as the lead Phoenix professional on the firm’s engagement by the Mediation Team from the date of Phoenix’s retention through April 30, 2019, when I ceased to be an employee of Phoenix. During this period, Brian Gleason and Michael Jacoby of Phoenix also served as senior advisors to the Mediation Team.

5. I understand that, from May 1, 2019 forward, primary responsibility for advising the Mediation Team will rest with Phoenix and, specifically, Brian Gleason, the new leader of the

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

engagement. I have, however, agreed that, notwithstanding my change of employer, I will assist in the transition of leadership of the Phoenix team advising the Mediation Team to Brian Gleason and will thereafter act as a resource to the Mediation Team and Phoenix, all on a *pro bono* basis (other than seeking reimbursement of actual and necessary expenses). Mr. Gleason and I have a long history of collaboration on engagements of this nature and will work together to meet the needs of the Mediation Team. No other professionals from Gordon Brothers will work on the engagement.

6. The Mediation Team is familiar with my work based upon my service to the Mediation Team to date. I understand that it also recognizes the significant experience I possess in providing advisory services in restructurings and reorganizations across the United States, and the qualifications I have to perform the services required by the Mediation Team in the Title III Cases.

### **Qualifications**

7. If the Application is approved, I will be the only Gordon Brothers employee delivering services to the Mediation Team. I have over 30 years of experience in restructuring, having advised debtors, creditors and equity holders engaged in restructurings, served as a Court-appointed expert, examiner, and chapter 11 trustee, and been retained as an Interim President and Chief Restructuring Officer at various times in my career. I was appointed by Judge Steven Rhodes to serve as his Independent Expert on the feasibility of the Plan of Adjustment for the City of Detroit.

8. I hold a BS degree in marketing and an MBA degree in finance and investments from the Kelley School of Business at Indiana University. I am a Fellow of the American College of Bankruptcy, treasurer of the College's Foundation and a member of the American Bankruptcy

Institute, the Turnaround Management Association, and the International Women's Insolvency and Restructuring Confederation. I am an associate member of the National Federation of Municipal Analysts and have completed the ABI/St. John's University Bankruptcy Mediation Training.

9. It is presently anticipated that Gordon Brothers will provide the following services, on an as-needed basis, as determined by the Mediation Team and/or Phoenix:

(A) Assist the Mediation Team with:

- Understanding the fiscal plan(s) based on all data made available;
- Understanding the types of consideration that may be offered under plans of adjustment; and
- Identifying capital structures and debt restructuring techniques that may be useful in mediating plans of adjustment;

(B) Provide other services to the Mediation Team that may be requested to support facilitative and directive mediation sessions, including, but not limited to:

- Identifying financial and information-related observations made by the parties to identify common ground on assumptions and methodologies, factual consistencies and inconsistencies, disjointed perceptions and incomplete information;
- Sharing insights with the Mediators and participants, as appropriate, including reflecting and reframing parties' comments;
- Helping the Mediators work through overlapping financial issues and impacts across the different mediations; and
- Helping the Mediators identify underlying priorities and options for negotiated resolutions related to ongoing financial issues on-island; and

(C) Provide other services as requested by the Mediation Team and/or Phoenix.

#### **Staffing and Approach**

10. Gordon Brothers has agreed to provide my services to the Mediation Team, and the Mediation Team has agreed that I will be the only employee of Gordon Brothers engaged pursuant to this retention. Phoenix will be responsible for providing all other financial advisory services to

the Mediation Team.

**Terms of Retention and Compensation**

11. As indicated above, Gordon Brothers has agreed to provide my ongoing services to the Mediation Team on a *pro bono* basis, other than seeking reimbursement of my actual and necessary expenses. Gordon Brothers and I believe it is important that my employment change not affect the efforts of the Mediation Team in this most important engagement. We are further mindful that neither the Commonwealth of Puerto Rico nor its instrumentalities should bear additional costs as a result of this change. Gordon Brothers and I have thus agreed that the only potential costs associated with the retention of Gordon Brothers are out-of-pocket expenses incurred in connection with this engagement, including reasonable travel costs and other direct expenses, all of which will be billed at actual costs.

12. Gordon Brothers understands that reimbursement of all allowed expenses will be paid by the Commonwealth and any other title III debtor(s) whose assets and liabilities are the subject of the mediation process, and that counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority has represented that the Commonwealth (and any other applicable title III debtor(s)) have agreed to pay the fees and expenses of the Mediation Team's professionals on a timely basis consistent with other professionals whose fees and expenses are being paid by the Debtors.

**Indemnification**

13. Gordon Brothers has offered my services in good faith, on a *pro bono* basis, other than seeking reimbursement of my actual and necessary expenses. Gordon Brothers thus believes that it is appropriate to include Gordon Brothers in the indemnification provisions and the exclusions to subpoena and legal proceedings in the same manner and to the same extent as the

Mediators. Gordon Brothers has agreed to these provisions, if approved by the Court, in lieu of its standard indemnification and limitations on liability provisions.

**Disinterestedness**

14. Notwithstanding the inapplicability of Bankruptcy Code section 327 to the Title III cases, I believe Gordon Brothers is a “disinterested person,” as that term is defined in Bankruptcy Code section 101(14). Bankruptcy Code section 101(14) defines “disinterested person” as a person that:

- (A) is not a creditor, an equity security holder, or an insider;
- (B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the Debtors; and
- (C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

15. I believe Gordon Brothers satisfies the standards set forth in the Bankruptcy Code for disinterested persons as defined by Bankruptcy Code section 101(14). Gordon Brothers has represented that it (a) is not a creditor, equity security holder, or insider of the Debtors; (b) is not and was not, within two (2) years before the date of the filing of the Title III cases, a director, officer, or employee of the Debtors; and (c) does not represent or hold an interest adverse to the interests of the Debtors with respect to the matters in which Gordon Brothers is proposed to be employed.

16. Gordon Brothers is not related to or connected with, and neither holds nor represents any interest adverse to, the Debtor, their creditors, or any other party in interest herein or their respective attorneys or the U.S. Trustee or anyone employed in the Office of the U.S. Trustee in the matters for which Gordon Brothers is proposed to be employed, except that Gordon Brothers is connected with the Mediation Team by virtue of this engagement. Certain of the

Debtors' creditors or other parties in interest may be or have been clients of Gordon Brothers in matters unrelated to the Title III Cases. Gordon Brothers may also have been engaged with or had mutual clients with certain law firms, financial advisors, accounting firms and other professionals that are potential parties-in-interest or may become parties-in-interest, in matters unrelated to the Title III Cases but no such matters relate to any of the Title III Cases or to matters related to the Commonwealth of Puerto Rico generally.

17. Gordon Brothers has undertaken a detailed search of available information and records to determine and to disclose whether it is performing or has performed services for any of the Debtor, their affiliates and other interested parties. In particular, Gordon Brothers reviewed and compared the names of key parties identified in pleadings filed on the docket in the Title III Cases (the "Interested Party List"), a copy of which is attached to this Declaration as Schedule 1, to Gordon Brothers' list of current and former clients for the past three years. The Interested Party List includes all parties listed on Schedule 1 of the application to employ Phoenix [ECF No. 1018], the Notice of Meeting with Representatives of the Mediation Team [ECF No. 560], the Master Service List as of April 22, 2019, and the most recent Verified Statements Pursuant to Bankruptcy Procedure 2019 filed by various bondholder groups [ECF Nos. 3776, 4332, 4384, 4871, 5189, 5252, 5444, 5807, 5991, and 6067]. Gordon Brothers further reviewed all work it had done within the last 7 years within the geographical boundaries of the Commonwealth of Puerto Rico and found no engagements related to any government parties.

18. Based upon the information presently available, Gordon Brothers is aware of no clients or client connections that would be in conflict with Gordon Brothers' proposed engagement by the Mediation Team, will impact or conflict with or be adverse to the Debtors or the Mediation Team in the Title III Cases, or will compromise Gordon Brothers' ability to provide services to

the Mediation Team and its constituents in the Title III Cases.

19. The foregoing notwithstanding, I would like to make the Court and all parties aware of a connection between Gordon Brothers and an entity related to a Commonwealth bondholder. I do not believe this connection creates a conflict but have opted to disclose it, as well as the screening mechanism being adopted to address it, out of an abundance of caution. Gordon Brothers, my current employer, is the 19.9% shareholder of Gordon Brothers Finance Company. BlackRock Capital Investment Corporation (“Blackrock Capital”), a publicly traded entity and subsidiary of privately held BlackRock Advisors LLC, is the 80.1% shareholder of Gordon Brothers Finance Company. Based upon my review of the *Third Supplemental Verified Statement of the Ad Hoc Group of Constitutional Debtholders Pursuant to Federal Rule of Bankruptcy Procedure 2019* [ECF No. 6067], I understand that BlackRock Financial Management Inc. (“Blackrock Financial”), a privately held entity that is separate from BlackRock Capital, owns bonds issued or guaranteed by the Commonwealth of Puerto Rico. BlackRock Advisors LLC—the parent company of BlackRock Capital, which is the shareholder of Gordon Brothers Finance Company—advises BlackRock funds, including BlackRock Financial, as well as unrelated third parties. While I do not believe that BlackRock Capital’s ownership of Gordon Brothers Finance Company stock creates a conflict or a prohibited connection between Gordon Brothers and the Debtors, out of an abundance of caution, Gordon Brothers will impose a screening restriction so that neither Gordon Brothers Finance Company nor any BlackRock entity will receive or have access to any information obtained or generated by Gordon Brothers concerning the Debtors.

20. I will promptly supplement this Declaration, disclosing any material developments regarding the Debtors or any other pertinent relationships that require disclosure in the above



referenced Title III Cases, if and when any such developments or relationships come to my attention.

21. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my information, knowledge, and belief.

Executed on May 16, 2019

/s Martha E. M. Kopacz  
Martha E. M. Kopacz  
Chief Development Officer  
Gordon Brothers Group, LLC

**Schedule 1**

**Interested Party List**

**Representative of Debtors**

The Financial Oversight and Management Board for Puerto Rico

**Debtors**

Commonwealth of Puerto Rico (Primary Government)

Employees' Retirement System (ERS) of the Government of the Commonwealth of Puerto Rico

PR Highways and Transportation Authority (HTA)

PR Sales Tax Financing Corporation (COFINA)

PR Electric Power Authority (PREPA)

**Oversight Board Members and Professionals**

Andrew G. Biggs, Member of the Board

Jose B. Carrión III, Member of the Board

Jaime A. El Koury, General Counsel of the Board

Carlos M. Garcia, Member of the Board

Gov. Alejandro García Padilla, Ex-Officio Member of the Board

Arthur J. Gonzalez, Member of the Board

José R. González, Member of the Board

Ana J. Matosantos, Member of the Board

Natalie Jaresko, Executive Director of the Board

David A. Skeel Jr., Member of the Board

Proskauer Rose, Counsel to the Oversight Board

O'Neill & Borges, Counsel to the Oversight Board

Brown Rudnick, Counsel to the Special Claims Committee of the Oversight Board

McKinsey & Co, Consultant to the Oversight Board

EY Puerto Rico, Consultant to the Oversight Board

Duff & Phelps, Consultant to the Oversight Board

**Other Government Related Parties Identified**

Additional (Electronic) Lottery

Agricultural Enterprises Development Administration

Automobile Accidents Compensation Administration

Cardiovascular Center Corporation of Puerto Rico and the Caribbean Commonwealth of Puerto Rico Regional Center Corporation

Company for the Integral Development of the "Península de Cantera" Corporation for the "Caño Martín Peña" Project (ENLACE)

Corporation of Industries for the Blind and Mentally Retarded and Incapacitated Persons of Puerto Rico

Culebra Conservation and Development Authority  
Economic Development Bank for Puerto Rico  
Employment and Training Enterprises Corporation  
Farm Insurance Corporation of Puerto Rico  
Fine Arts Center Corporation  
Fiscal Agency and Financial Advisory Authority (AAFAF)  
Governmental Development Bank for PR (GDB)  
Institute of Puerto Rican Culture  
Institutional Trust of the National Guard of Puerto Rico  
Judiciary Retirement System (JRS)  
Land Authority of Puerto Rico  
Local Redevelopment Authority of the Lands and Facilities of Naval Station Roosevelt Roads  
Model Forest  
Municipal Revenue Collection Center (CRIM)  
Musical Arts Corporation  
Port of the Americas Authority  
PR Aqueduct and Sewer Authority (PRASA)  
PR Infrastructure Finance Authority (PRIFA)  
PR Maritime Shipping Authority  
PR Medical Services Administration (ASEM)  
Public Building Authority (PBA)  
Public Corporation for the Supervision and Deposit Insurance of Puerto Rico Cooperatives (COSSEC)  
Puerto Rico and Municipal Islands Transport Authority  
Puerto Rico Conservatory of Music Corporation  
Puerto Rico Convention Center District Authority (PRCCDA)  
Puerto Rico Council on Education  
Puerto Rico Health Insurance Administration (HIA / ASES)  
Puerto Rico Industrial Development Company (PRIDCO)  
Puerto Rico Industrial, Tourist, Educational, Medical, and Environmental Control Facilities Financing Authority (AFICA)  
Puerto Rico Integrated Transit Authority (PRITA)  
Puerto Rico Land Administration  
Puerto Rico Metropolitan Bus Authority (AMA)  
Puerto Rico Municipal Finance Agency (MFA)  
Puerto Rico Ports Authority  
Puerto Rico Public Broadcasting Corporation  
Puerto Rico Public Private Partnerships Authority (PPP)  
Puerto Rico School of Plastic Arts  
Puerto Rico Telephone Authority  
Puerto Rico Tourism Company  
Puerto Rico Trade and Export Company  
Solid Waste Authority  
Special Communities Perpetual Trust  
State Insurance Fund Corporation (SIF)  
Teachers' Retirement System (TRS)  
The Children's Trust Fund (CTF)  
Traditional Lottery  
Unemployment Insurance Fund  
University of Puerto Rico (UPR)  
University of Puerto Rico Comprehensive Cancer Center

## **20 Largest Unsecured Creditors**

Baxter Sales & Distribution PR Corp.  
Braxton School of Puerto Rico  
Cardinal Health PR  
Cesar Castillo Inc.  
Corporacion de Servicios Educativos de Yabucoa  
COSALL  
Ediciones Santillana, Inc.  
Ediciones SM  
EVERTEC Inc.  
IKON Solutions, Inc.  
Institucion Educativa NETS, LLC  
Kirkland & Ellis LLP  
Manpower MC&CS  
Microsoft  
Puerto Rico Telephone Company  
Total Petroleum Corps.  
U.S. Army Corps of Engineers  
Workforce Training and Employment Center, Inc.

## **Members of the Unsecured Creditors Committee**

American Federation of Teachers  
Doral Financial  
Genesis Security  
SEIU  
Unitech Engineering  
Baxter Sales  
Tradewinds Energy

## **Litigation and Other Parties Appearing in Cases**

322 De Diego Holdings, LLC  
419 Ponce de Leon, Inc.  
Adriel Longo-Ravelo  
Adrienne Muentes-Ortiz  
AG Financial Solutions  
AG Financial Solutions Funds  
Altair Global Credit Opportunities  
Ambac Assurance Corporation  
Ambac Financial Group  
Andulusian  
Angelo Gordon  
Appaloosa

Aristeia Horizons, L.P.  
Artau Feliciano Conjugal Property Partnership  
Asociación Puertorriqueña De La Judicatura, Inc.  
Assured Guaranty Corp/Assured Guaranty Municipal Corp. f/k/a Financial Security Assurance Corporation  
Aurelius Capital Management LP  
Autonomy Capital (Jersey) LP  
Baldr Mason Fund  
Banco Popular de Puerto Rico  
Banco Santander Puerto Rico  
Bank of America/Merrill Lynch  
Bank of New York Mellon  
Bank of Nova Scotia  
Benigno Trigo-Gonzalez  
Bertita Martinez-Martinez  
BlackRock Financial Management  
Blue Mountain Capital Management LLC  
Bonistas de Patio  
Brigade Capital Management  
Bromfield Asset Management  
Buckeye Partners  
Camino Cipres LLC  
Camino Roble LLC  
Canary SC Master Fund, L.P  
Candlewood Investment Group  
Canyon Balanced Master Fund, Ltd.  
Canyon Funds  
Canyon Value Realization Fund, L.P.  
Carlos Reyes Castro  
Carmen Feliciano Vargas  
Carmen Regina Suarez-Sein  
Ceci Montilla-Rojo  
Centerbridge Partners  
Citicorp  
Claren Road and Avenue  
Claren Road Asset Management  
Conjugal Partnership Gonzalez-Simounet  
Conjugal Partnership Hermida-Colon  
Conjugal Partnership Hess-Trigo  
Conjugal Partnership Martinez-Martinez  
Conjugal Partnership Smith-Smith  
Conjugal Partnership Trigo-Suarez  
Conjugal Partnership Trigo-Zapata  
Conjugal Partnership Valdes-Muentes  
Corbin Opportunity Fund L.P.  
Covalent Partners LLC

Crescent 1, L.P.  
Crown Managed Assets  
CRS Master Fund, L.P.  
Cyrus Funds  
Davidson Kempner  
Davidson Kempner Capital Management  
Decagon Holdings  
Deutsch Bank Securities  
Dionisio Trigo-Gonzalez  
Eduardo Artau Gomez EJP  
Elías Sánchez  
Emso Asset Management  
Ernesto A. Smith  
Excelerate Energy  
FCO Advisors LP  
Federico M. Stubbe Arzuaga  
Federico Stubbe Gonzalez  
Fidercosmo Plaza  
Filsinger Energy Partners  
Financial Guaranty Insurance Co.  
Fir Tree Partners  
First Medical Health Plan, Inc.  
First Pacific Advisory  
Fore Research & Management  
Fore Solus Alternative Asset Management  
Franklin Advisors Inc.  
Franklin Templeton Inc.  
FSA Investments, LLC  
FT Opportunistic Distressed Fund  
Fundamental  
Glendon Opportunities Fund  
Gloria Colon  
GoldenTree  
GoldenTree Asset Management LP  
Goldman Sachs  
Goldman Sachs Asset Management  
Guillermo L. Martinez  
Gustavo Hermida-Ceda  
Heirs of The Estate of Rosario Ferre Ramirez De Arellano Comp by BTF-RLTF-LATF  
Jacana Holdings  
Jorge Hess  
Jorge Irizarry  
Jose A. Valdes-Mazaurieta  
José F. Rodríguez Perelló  
Ketty Slimounet de Gonzalez  
King Street

Knighthead  
KTRS Credit Fund LP  
Lex Claims, LLC  
LMA SPC  
LMA 903 Limited  
Long En-Tech Puerto Rico, Inc.  
Marathon  
MassMutual  
Master SIF SICAV SIF  
MBIA  
MC Holdings Master LP  
Merced Capital LP  
Miguel Angel Ortiz Ramos  
Monarch  
Monarch Alternative Capital LP  
MPR Investors, LLC  
Municipio Autonomo de Ponce  
Natalie Jaresko  
National Public Finance Guarantee Corp.  
Nokota Capital  
Northshore Management, Corp.  
Nutmeg Partners  
Oaktree  
Oceana Master Fund  
Ocher Rose LLC  
Old Bellows Partners  
Oppenheimer Funds Inc.  
Oriental Bank  
OZ Management  
Pandora Select Partners  
Peaje Investments  
Penteli Master Fund  
Pentwater Merger Arbitrage Master Fund  
Pinehurst Partners, L.P.  
Prisma SPC Holdings Ltd. – Segregated Portfolio AG  
Puerto Rico Funds and Portfolios  
Puerto Rico GNMA & U.S. Government Target Maturity Fund  
Rafael Rojo  
Ramon Gonzalez-Cordero  
Regina Trigo de Hess ROLSG LLC  
RRW I LLC  
San Rafael Holdings, LLC  
Sandra Pacheco Santiago  
Santander Asset Management Corporation  
Santander BanCorp  
Santander Financial Services, Island Insurance Corporation

Santander Insurance Agency, Inc.  
Santander International Bank of Puerto Rico, Inc.  
Santander PR Capital Trust I  
Santander Securities Corporation  
Saress E. Smith  
SB Special Situation Master Fund SPC, Segregated Portfolio D  
Scoggin Funds  
Scotiabank de Puerto Rico  
Senator Global Opportunity Master Fund L.P.  
Servidores Publicos Unidos Council 95 of The American Federation of State, County and  
Municipal Employees  
Silverpoint Capital  
SL Funds  
SL Puerto Rico Fund II LP  
Sola Ltd.  
Solus Funds  
Stone Lion Capital Partners LP  
Stugo, LLC  
SV Credit LP  
Syncora  
Taconic Master Fund 1.5 LP / Taconic Opportunity Master Fund  
Tasman Fund LP  
Teresa Zapata-Bird  
The Canyon Value Realization Master Fund, L.P.  
Tilden Park Capital Management  
Trigo Corp.  
Trimar Investments Corp.  
UAW  
U.S. Bank Trust National Association  
UBS IRA Select Growth and Income Puerto Rico  
UTIER  
Fund Ultra Master Ltd.  
Valmu Trust 2015, LLC  
Varde Partners  
Vitol SA  
Voya Institutional Trust  
VR Advisory Services  
Warlander Asset  
Whitebox Advisors LLC  
Wilmington Trust  
Windmar Renewable Energy